

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1442 – SB 1818

February 8, 2012

SUMMARY OF AMENDMENT (012740): Deletes all language after the enacting clause. Requires the Commissioner of the Department of Commerce and Insurance (TDCI) to confidentially maintain all information received from the National Association of Insurance Commissioners (NAIC), state or federal agencies, and foreign countries when such information is confidential in those jurisdictions. Authorizes the Commissioner to share confidential information with the regulatory officials of any such bodies if it is confidential in those jurisdictions. Requires that after a specified trigger in the Risk-Based Capital (RBC) analysis, a property and casualty insurance company must conduct a trend test to determine financial solvency. Authorizes the Commissioner to share such information with NAIC so long as NAIC provides a written statement of its intent to maintain confidentiality. Removes requirement that all insurers authorized to transact business in Tennessee must file an annual statement and filing fee with NAIC. Adds to the definition of “company action level events” a property and casualty insurer having a total adjusted capital greater than the product of its Authorized Control Level RBC and 3.0 and triggers the RBC trend test.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumption applied to amendment:

- According to TDCI, this bill as amended will not create any additional responsibilities or significantly change the current regulatory, administrative, or enforcement activities of the Department. Therefore, the fiscal impact to state government is estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/sbh